

Condensed Balance Sheet

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

January 2021

(millions of NAf.)

Assets	31-Jan-21	Difference	Liabilities	31-Jan-21	Difference
		compared to			compared to
		31-Dec-20			31-Dec-20
Claims on nonresidents	4,348.0	17.0	Liabilities to nonresidents	263.5	18.8
Gold	1,402.5	-20.6	Deposits of nonresidents in foreign currency	263.5	18.8
Official reserves	2,945.5	37.5			
Other	0.0	0.0			
Domestic assets	564.8	21.0	Domestic liabilities	3,328.7	40.9
			Currency in circulation	522.9	-33.6
Claims on the government	271.1	0.0	Government deposits	223.7	-92.4
Government paper in portfolio	0.0	0.0	Government of Curacao	187.6	-53.8
Government agencies and institutions	270.8	0.0	Government of Sint Maarten	34.0	-38.6
Other	0.4	0.0	Former Central Government	1.7	0.0
			Government agencies and institutions	0.4	0.0
Claims on deposit money banks	0.0	0.0	Liabilities to deposit money banks	2,359.3	92.2
Current account balances	0.0	0.0	Current account balances	686.8	-85.9
			Certificates of Deposit	277.0	170.0
			Required reserves	1,395.6	8.1
Claims on other sectors	293.7	21.0	Liabilities to other sectors	222.7	74.6
Other assets	293.7	21.0	Deposits of other residents	156.6	71.3
			Other liabilities	66.0	3.3
			Capital and reserves	1,320.6	-21.7
Total assets	4,912.8	38.0	Total liabilities	4,912.8	38.0

During the month of January 2021, the Bank maintained the percentage of the required reserves at 19.00%. Nevertheless, the amount of required reserves increased by NAf.8.1 million due to the higher base amount¹ upon which it is calculated. Furthermore, the amount of outstanding certificates of deposit (CDs) increased by NAf.170.0 million because the commercial banks subscribed for a higher amount of CDs with a maturity of two weeks during the weekly auctions.

Base money² dropped by NAf.119.5 million due to a significant drop in the current account balances of the commercial banks (NAf.85.9 million) and the currency in circulation (NAf.33.6 million). The drop in the current account balances was mainly the result of the increase in the outstanding amount of CDs, the purchase of foreign exchange at the Bank, and the rise in the amount of required reserves. The transfers by the governments of Curaçao and Sint Maarten and pension funds from their accounts at the Bank towards their accounts at the commercial banks and the purchase by the Bank of Sint Maarten Harbour Finance N.V. bonds on the secondary market moderated the decline in the current account balances. The drop in the currency in circulation was mainly due to the lower demand for cash by the public after the holiday period of December 2020.

¹ The base amount is equal to the commercial banks' domestic liabilities -/- long-term deposits.

² The sum of currency in circulation and the current account balances of the commercial banks at the Bank.

In addition, the item “Claims on other sectors” on the assets side of the balance sheet increased by NAf.21.0 million related to the purchase of the Sint Maarten Harbour Finance N.V. bonds.

Moreover, the item “Liabilities to nonresidents” increased by NAf.18.8 million, mainly due to funds received by the Dutch Ministry of the Interior and Kingdom Relations (BZK) in connection with interest and principal payments on debt securities issued by the government of Curaçao that are held by the Dutch State. In addition, the transfer of funds by the commercial banks in Bonaire towards their accounts at the Bank contributed to the increase in this item. However, the transactions by the Central Bank of Aruba from its account at the Bank mitigated the increase in this item.

The net position of the governments with the Bank deteriorated by NAf.92.4 million due to a drop in the deposits of Curaçao (NAf.53.8 million) and Sint Maarten (NAf.38.6 million). The deposits of Curaçao dropped mainly because of the transfer of funds to the commercial banks related to support provided to the most affected groups in society amid the corona crisis and interest and principal payments on bonds held by the Dutch State. The drop in deposits was, however, mitigated by the transfer of license fee collected over the month of December 2020. The drop in the deposits of Sint Maarten was primarily due to the transfer of funds to commercial bank accounts, moderated by the transfer of liquidity support by the Dutch State.

In addition, the item “Liabilities to other sectors” rose by NAf.74.6 million due mainly to the transfer of funds from abroad related to the restructuring of a financial institution under the emergency measure. This transfer also largely explains the increase by NAf.37.5 million in the item “Official reserves” on the assets side of the balance sheet. Also, the transactions by the commercial banks in Bonaire, the transfer of liquidity support to the government of Sint Maarten, and the transfer of funds from abroad by a pension fund contributed to the increase in the item “Official reserves”. The increase in this item was, however, moderated by the purchase of foreign exchange by the commercial banks at the Bank and the transactions by the Central Bank of Aruba.

Finally, the item “Gold” on the assets side of the balance sheet dropped by NAf.20.6 million due to the lower market value on the balance sheet date compared to the end of December 2020. The drop in the item “Capital and reserves” on the liabilities side of the balance sheet was related to the drop in the market value of the gold stock.

Willemstad, March 12, 2021

Centrale Bank van Curaçao en Sint Maarten